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13 AUG 1973

MEMORANDUM FOR: Deputy Director for Operations

SUBJECT: Recent Visit of [REDACTED]
to Santiago

1. During the period [REDACTED] visited the Santiago Station. He came away with the following impressions and information as a result of discussions with the Ambassador, Station personnel and key sources, and other Embassy officers:

a. The Ambassador feels strongly that the U.S. should not take any action to encourage the Chilean military to move against President Allende. He thinks the situation is still most fluid, and given Allende's talents as a politician, he will quite likely finish his term.

b. The Defense Attache estimates that between 80 and 90 percent of the officer corps of the Army are opposed to Allende. He was also of the opinion that some 75 percent of all Army personnel are very dissatisfied with the present government. He hastened to add, however, that he believed it was highly unlikely that the Army would move against Allende so long as the top leadership such as Generals Prats, Pinochet, Sepulveda, Urbina, Pickering, and Brady remained firm in support of the constitutional regime.

c. A [REDACTED] Station source [REDACTED] was of the opinion that Allende could not last another six months in view of the rapidly deteriorating economic situation and mounting

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pressure on him from all sides. He believed the present truckers' strike would continue for several more weeks at least; and added that he and his colleagues in (the Private Sector) were supporting the truckers in what he termed a last ditch, do-or-die effort against Allende. This source, [REDACTED]

[REDACTED] pleaded for U.S. support of (the Private Sector) stating that if this sector was not bolstered with outside assistance in the immediate future, it would no longer be an important element in the opposition camp. He estimated that some three to four hundred additional private firms were taken over by the Allende government following the 29 June abortive coup and said that this process would continue unless Allende was removed soon. This individual castigated the Christian Democratic Party (PDC) for its indecisiveness and said that if the PDC would solidly line up behind the Private Sector and the military, Allende could be easily removed.

d. Another [REDACTED] of the Private Sector and [REDACTED] figure [REDACTED] stated that the next six months would be critical for Chile and that, if Allende survived this period, he would probably complete his term and stand a very good chance of achieving another election victory for his coalition in 1976. He believed the Army could be pushed into action against Allende if the present strike movement could be sustained and extended and if the PDC would firmly throw its support behind the strikers and the plotting elements in the military.

e. The above [REDACTED] source also made a strong plea for help for his [REDACTED]

[REDACTED]

We hope to have further information on this matter before considering any final decision.

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f. Within the next two weeks the Station will be cabling its ideas on what might be done now to begin laying the groundwork for a major action program looking toward the 1976 presidential election.

g. It would seem the lower classes in Chile are still firmly supporting Allende. While rampant inflation, shortages of all kinds, and government inefficiency have seriously affected the middle and upper classes, somehow the essentials seem to be getting to the lower masses from which Allende draws his principal support. Certainly, the economic situation is going to have to deteriorate far more than at present before any significant number from the lower classes would consider leaving Allende.

[REDACTED]

[REDACTED]

[REDACTED]

2. [REDACTED] did come away with one paramount impression -- none of our people in Chile has a clear solution to the Allende problem. All feel a sense of frustration. All continue to be impressed by Allende's ability to manipulate and to survive.

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All agree the Army is the key piece in the puzzle, but no one knows if and when the Army might see fit to modify its present constitutional stance.

/s/ David A. Phillips

David A. Phillips
Chief
Western Hemisphere Division

cc: ADDO

[REDACTED]
(13 August 1973)

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